

LEND-LEASE SETTLEMENT

Agreement signed at Washington July 10, 1946

Entered into force July 10, 1946

60 Stat. 1791; Treaties and Other
International Acts Series 1536

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF NEW ZEALAND ON SETTLEMENT FOR LEND-LEASE AND RECIPROCAL AID, SURPLUS WAR PROPERTY, AND CLAIMS

The Government of the United States of America and the Government of New Zealand have reached agreement as set forth below regarding settlement for lend-lease and reciprocal aid, for certain surplus war property, and for the financial claims of each Government against the other arising as a result of World War II. This settlement is complete and final. Both Governments, in arriving at this settlement, have taken full cognizance of the benefits already received by them in the defeat of their common enemies, and of the aid furnished by each Government to the other in the course of the war. No further benefits will be sought as consideration for lend-lease and reciprocal aid, for surplus war property covered by this Agreement, or for the settlement of other financial claims arising as a result of World War II, except as herein specifically provided.

I

LEND-LEASE AND RECIPROCAL AID

1. (a) The term "lend-lease article" as used in this Agreement means any article heretofore transferred by the Government of the United States under the Act of March 11, 1941 ¹

- (1) to the Government of New Zealand, or
- (2) to any other government and heretofore retransferred to the Government of New Zealand.

(b) The term "reciprocal aid article" as used in this Agreement means any article heretofore transferred by the Government of New Zealand to the Government of the United States under reciprocal aid.

¹ 55 Stat. 31.

2. In recognition of the mutual benefits received by the two Governments from the interchange of lend-lease and reciprocal aid, neither Government will be required to make any payment to the other for lend-lease and reciprocal aid articles and services used in the achievement of the common victory.

3. (a) The Government of New Zealand hereby acquires, and shall be deemed to have acquired as of September 2, 1945, full title, without qualification as to disposition or use, to all lend-lease articles in the possession of the Government of New Zealand, its agents or transferees, on September 2, 1945, and not subsequently returned to the Government of the United States, other than lend-lease articles which on that date were in the possession of the armed forces of the Government of New Zealand.

(b) The Government of New Zealand hereby acquires, and shall be deemed to have acquired as of the date of loading on board ocean vessel for shipment to New Zealand, full title, without qualification as to disposition or use, to all lend-lease articles transferred to the Government of New Zealand on or after September 2, 1945, pursuant to lend-lease requisitions filed by the Government of New Zealand, and not subsequently returned to the Government of the United States, which articles constituted the lend-lease pipeline for the Government of New Zealand and in respect of which no further deliveries remain to be made.

(c) The Government of New Zealand hereby acquires, and shall be deemed to have acquired as of the date of delivery to the custody of the Government of New Zealand, full title, without qualification as to disposition or use, to all lend-lease articles, other than arms, ammunition and other lethal weapons, in addition to the articles covered by sub-paragraph (b) hereof, transferred to the Government of New Zealand between September 2, 1945, and December 31, 1945, both dates inclusive, and not subsequently returned to the Government of the United States.

(d) In consideration of the mutual undertakings of this Agreement, no payment shall be required from the Government of New Zealand with respect to the articles covered by sub-paragraphs (a), (b) and (c) hereof.

4. (a) The Government of the United States hereby acquires, and shall be deemed to have acquired as of September 2, 1945, full title, without qualification as to disposition or use, to all reciprocal aid articles in the possession of the Government of the United States, its agents or transferees, on September 2, 1945, and not subsequently returned to the Government of New Zealand, other than reciprocal aid articles which on that date were in the possession of the armed forces of the Government of the United States.

(b) The Government of the United States hereby acquires, and shall be deemed to have acquired as of the date of delivery to United States depot in New Zealand, or of loading aboard ocean vessel for shipment from New Zealand, whichever is the earlier, full title, without qualification as to disposition or use, to all reciprocal aid articles transferred to the Government

of the United States between September 2, 1945, and December 31, 1945, both dates inclusive, and not subsequently returned to the Government of New Zealand, which articles constituted the reciprocal aid pipeline for the Government of the United States and in respect of which no further deliveries remain to be made.

(c) The Government of the United States hereby acquires, and shall be deemed to have acquired as of the date of delivery to the custody of the Government of the United States, full title, without qualification as to disposition or use, to all reciprocal aid articles, other than arms, ammunition and other lethal weapons, in addition to the articles covered by sub-paragraph (b) hereof, transferred to the Government of the United States between September 2, 1945, and December 31, 1945, both dates inclusive, and not subsequently returned to the Government of New Zealand.

(d) In consideration of the mutual undertakings of this Agreement, no payment shall be required from the Government of the United States with respect to articles covered by sub-paragraphs (a), (b) and (c) hereof.

5. (a) The Government of the United States, with respect to lend-lease articles, and the Government of New Zealand, with respect to reciprocal aid articles, reserve a right to recapture, at any time after September 1, 1945, any such articles other than those to which title is passed pursuant to paragraphs 3 and 4 hereof, which are now in the possession of the armed forces of the other Government and, as of the date upon which notice requesting return is communicated to the other Government, are in the possession of or under the control of such other Government, although neither Government intends to exercise generally this right of recapture. Where either Government wishes from time to time to exercise this right of recapture, such Government will give reasonable notice of its intention and, without limiting the right of recapture, will provide full opportunity to the other Government for discussion of that Government's need for the articles in question.

(b) The Government of New Zealand may, except as provided in paragraph 8 hereof, divert any such lend-lease articles covered by paragraph 5 (a) hereof to any uses in or outside of New Zealand or its territories, but will not, without the prior consent of the Government of the United States and without payment of any proceeds to the Government of the United States, transfer to any third country any such lend-lease articles in the categories of arms, ammunition and other lethal weapons.

(c) The Government of the United States may divert any such reciprocal aid articles covered by paragraph 5(a) hereof to any uses in or outside of the United States, its territories or possessions, but will not, without the prior consent of the Government of New Zealand and without payment of any proceeds to the Government of New Zealand, transfer to any third country any such reciprocal aid articles in the categories of arms, ammunition and other lethal weapons.

(d) The Government of the United States, with respect to vessels transferred to the United States Navy under reciprocal aid, and the Government of New Zealand, with respect to vessels transferred by the United States Navy under lend-lease, will, unless otherwise agreed, each return to the other Government any such vessels in the possession of the recipient Government on the date when the request for return is communicated to such Government.

6. Both Governments agree that, when they dispose of articles acquired pursuant to paragraphs 3 and 4 hereof, they will use their best endeavors to avoid discrimination against the legitimate interests of the manufacturers or producers of such articles, or their agents or distributors, in each country.

II

SURPLUS WAR PROPERTY

7. The Government of New Zealand, in consideration of the value of surplus non-combat lend-lease aircraft and related spares diverted to civilian use, and of the other surplus property covered by the contract between the Government of the United States and the Government of New Zealand dated December 18, 1945,² as amended in this Agreement, and in order to further educational and cultural relationships between the two countries by means of scholarships or otherwise in a manner mutually agreeable, will pay to the Government of the United States the value of such aircraft and related spares and surplus property as provided in paragraphs 8 and 9 hereof, by any of the following methods or any combination thereof designated by the Government of the United States, employing in every case the rate of 3.2442 United States dollars to one New Zealand pound:

- (i) (a) by delivery of title to the Government of the United States by the Government of New Zealand of such real property and improvements to real property in New Zealand as may be selected and determined by agreement between the two Governments, aggregating in value not more than \$1,200,000;
(b) by establishment of a fund in New Zealand pounds, equivalent to not more than the remaining amount due to the Government of the United States hereunder, for expenditure in accordance with agreements to be reached between the two Governments for carrying out educational and cultural programs of benefit to the two countries;
- (ii) by delivery to the Government of the United States of such other property or services in New Zealand as may be selected and determined by agreement between the two Governments, aggregating in value not more than such part of the amount due to the Government of the United States as may not have been expended under the provisions of sub-paragraphs (i) (a) and (i) (b) hereof;
- (iii) in the event that, after three years from the date of this Agreement the two Governments have been unable to agree that the purposes

² Not printed.

described in sub-paragraphs (i) and (ii) above hereof can be carried out to the full extent now contemplated, any residue will be paid by the Government of New Zealand to the Government of the United States in United States dollars.

8. The Government of New Zealand will not divert to any civilian use any lend-lease non-combat aircraft or related spares in the possession of the Government of New Zealand except those acquired by the Government of New Zealand pursuant to separate agreement or agreements of sale between the two Governments. The Government of the United States will accept the return of, and will declare as surplus, all lend-lease non-combat aircraft and related spares now in the possession of the Government of New Zealand which may be selected by the Government of New Zealand for diversion to civilian use. The Government of the United States will sell and the Government of New Zealand will purchase such aircraft and related spares under the terms and conditions of the contract dated December 18, 1945, described and amended in paragraph 9 hereof. The consideration for any such sales shall be calculated at the world disposal prices as determined by the Government of the United States for aircraft and related spares of the types covered by such sales. Payment for any such aircraft and related spares shall be made in accordance with paragraphs 7 and 9 of this Agreement.

9. In the contract dated December 18, 1945, the Government of the United States agreed to sell and the Government of New Zealand agreed to purchase certain surplus property described therein up to a total value of four million dollars. The terms and conditions of that contract shall remain in full force with the following amendments:

(a) additional schedules listing non-combat aircraft and related spares and meteorological, communication, navigational and other airport articles and equipment shall be added to the contract;

(b) the amount of four million dollars shall be increased by an amount up to \$750,000 to cover the value of non-combat aircraft and related spares and by a further amount sufficient to cover the value of the meteorological, communication, navigational and other airport articles and equipment described in sub-paragraph (a) hereof;

(c) in lieu of the method of payment provided for in that contract, payment shall be made in accordance with paragraph 7 of this Agreement.

III

OTHER FINANCIAL CLAIMS

10. (a) The Government of New Zealand hereby assumes responsibility for the settlement and payment of all claims against the Government of the United States or members of the armed forces of the Government of the United States, arising from acts or omissions of members of the armed

forces of the Government of the United States occurring in New Zealand before June 30, 1946.

(b) The following financial claims between the two Governments, arising out of existing arrangements in which the liability for payment has heretofore been acknowledged and the method of computation mutually agreed upon, are not covered by this settlement, as they will be settled in accordance with such arrangements:

- (i) Claims by either Government arising out of lend-lease requisitions filed by the Government of New Zealand in which the Government of New Zealand agreed to make direct cash reimbursement to the Government of the United States for the material therein requisitioned and at the time of filing such requisitions deposited with the Government of the United States the estimated cost of such material;
- (ii) Claims arising out of the agreement by the Government of the United States to pay the Government of New Zealand for the articles and services furnished by the Government of New Zealand to the Government of the United States not eligible for reciprocal aid, and for the articles and services furnished by the Government of New Zealand to the Government of the United States after December 31, 1945.

(c) In consideration of the mutual undertakings described in this Agreement, and with the objective of arriving at as comprehensive a settlement as possible and of obviating protracted negotiations between the two Governments, all other financial claims whatsoever of one Government against the other which arose out of lend-lease or reciprocal aid or otherwise arose on or after September 3, 1939, and prior to September 2, 1945, out of or incidental to the conduct of World War II, and which are not otherwise dealt with in this Agreement, are hereby waived, and neither Government will hereafter raise or pursue any such claims against the other.

11. This Agreement shall take effect on the date of signature. Signed at Washington in duplicate this 10th day of July, 1946.

For the Government of the United States of America:

DEAN ACHESON
Acting Secretary of State
of the United States of America

For the Government of New Zealand:

W. NASH
Minister of Finance
of the Government of New Zealand